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No. 07-336

FILED
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SUPREME COURT, U.S.

In The
Supreme Court of the United States

NATIONAL WINE AND SPIRITS, INC., NWS MICHIGAN, INC., and NATIONAL WINE & SPIRITS, LLC,

Petitioners,

v.

STATE OF MICHIGAN and MICHIGAN BEER AND WINE WHOLESALERS ASSOCIATION,

Respondents.

On Petition For A Writ Of Certiorari To The Michigan Court Of Appeals

BRIEF FOR THE MICHIGAN BEER AND WINE WHOLESALERS ASSOCIATION IN OPPOSITION

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QUESTION PRESENTED

Where petitioners have been able to enter the Michigan alcoholic beverage distribution system as both an Authorized Distribution Agent (ADA) of spirits and as a licensed wine wholesaler and are treated the same as any similarly situated person and there is no evidence of discrimination against out-of-state products or interference with the flow of interstate commerce, did the Michigan Court of Appeals commit error when, like the trial court, it rejected a dormant Commerce Clause challenge to a statute that concerns the structure of Michigan's alcoholic beverage distribution system?

PARTIES TO THE PROCEEDING

There were no parties to the proceedings below other than those identified in the caption of the case.

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

Respondent Michigan Beer & Wine Wholesalers Association has no parent corporation and there is no publically held company that owns more than 10% or more of its stock.

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OPINIONS AND ORDERS BELOW

The opinion of the Michigan Court of Appeals is unpublished (Pet. App. 1-14).[1] The Order of the Michigan Supreme Court vacating its grant of leave to appeal is published at 477 Mich. 935; 723 N.W.2d 834 (2006) (Pet. App. 29-44). The Order of the Michigan Supreme Court denying petitioners' motion for reconsideration is published at 477 Mich. 1088; 729 N.W.2d 234 (2007) (Pet. App. 15-28).

JURISDICTION

The judgment of the Michigan Court of Appeals was entered on March 25, 2004. The Michigan Supreme Court granted leave to appeal on January 20, 2006, but later vacated its order and denied leave to appeal on November 29, 2006. The Michigan Supreme Court denied petitioners' motion for reconsideration on April 11, 2007. The jurisdiction of this Court is invoked under 28 U.S.C. § 1257.

[1] An unpublished Michigan Court of Appeals opinion "is not precedentially binding under the rule of *stare decisis*." Michigan Rules of Court of 1985, Rule 7.215(C)(1).

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

U.S. Const., Amend. XXI, § 2:

> The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

U.S. Const., art. 1, § 8:

> The Congress shall have power to . . . regulate commerce . . . among the general states.

Mich. Const. of 1963, art. IV, § 40:

> A person shall not sell or give any alcoholic beverage to any person who has not reached the age of 21 years. A person who has not reached the age of 21 years shall not possess any alcoholic beverage for the purpose of personal consumption. An alcoholic beverage is any beverage containing one-half of one percent or more alcohol by volume.
>
> Except as prohibited by this section, the legislature may by law establish a liquor control commission which, subject to statutory limitations, shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof. The legislature may provide for an excise tax on such sales. Neither the legislature nor the commission may authorize the manufacture or sale of alcoholic beverages in any county in

> which a majority of the electors voting thereon shall prohibit the same.

Mich. Comp. Laws § 436.1205(3):

> An authorized distribution agent shall not have a direct or indirect interest in a supplier of spirits or in a retailer. A supplier of spirits or a retailer shall not have a direct or indirect interest in an authorized distribution agent. An authorized distribution agent shall not hold title to spirits. After September 24, 1996, an authorized distribution agent or an applicant to become an authorized distribution agent who directly or indirectly becomes licensed subsequently as a wholesaler shall not be appointed to sell a brand of wine in a county or part of a county for which a wholesaler has been appointed to sell that brand under an agreement required by this act. A wholesaler who directly or indirectly becomes an authorized distribution agent shall not sell or be appointed to sell a brand of wine to a retailer in a county or part of a county for which another wholesaler has been appointed to sell that brand under an agreement required by this act, unless that wholesaler was appointed to sell and was actively selling that brand to retailers in that county or part of that county prior to September 24, 1996, or unless the sale and appointment is the result of an acquisition, purchase, or merger with the existing wholesaler who was selling that brand to a retailer

> in that county or part of that county prior to September 24, 1996.

Mich. Comp. Laws § 436.1601(4):

> A wholesale licensee or an applicant for a wholesale license, if a corporation, shall be licensed only if the corporation is authorized to do business under the laws of this state and if all stockholders of the corporation have resided in this state for not less than 1 year immediately preceding the date of issuance of the license. A corporation that holds a wholesale license shall not issue shares of the corporation's stock to a person who has not resided in this state for at least 1 year immediately preceding the date on which the corporate stock was acquired by the person.

STATEMENT

1. This is a suit by petitioners National Wine & Spirits, Inc. (an Indiana parent corporation) and its Michigan subsidiaries: NWS Michigan, Inc. (a Michigan corporation) and National Wine & Spirits, L.L.C. (a Michigan limited liability company).[2] Petitioners

[2] Subsequent to the order of the Michigan Supreme Court denying petitioners' motion for reconsideration, petitioner National Wine & Spirits, L.L.C., merged with another Michigan licensed wholesaler, L&L Wine and Liquor Corporation. As part of the merger, National Wine & Spirits, L.L.C.'s wholesaler license was cancelled and the petitioners now operate as a wine wholesaler through the license of L&L Wine and Liquor

(Continued on following page)

challenge Mich. Comp. Laws § 436.1205(3) (hereinafter referred to as "§ 205(3)") by arguing that statute violates the dormant Commerce Clause of the United States Constitution. The challenged statute deals with how Michigan has chosen to distribute and warehouse state owned spirits and includes restrictions on spirits distributors who also want to act (directly or indirectly) as licensed wine wholesalers in Michigan.[3]

Corporation. With the merger, petitioners acquired L&L Wine and Liquor Corporation's distribution rights for wine brands that L&L Wine and Liquor Corporation was distributing in Michigan prior to September 24, 1996. Mich. Comp. Laws § 205(3) permits this "grandfathering" of L&L Wine and Liquor Corporation's pre-September 24, 1996 distribution rights and those distribution rights are not subject to "dualing" limitations.

A copy of the February 28, 2007, Michigan Liquor Control Commission's order is set out at Respondent's App. 15-20. While this order was not a part of the lower record (since it did not exist) it is a public record of which this Court can take judicial notice. See, e.g., *New York Indians v. United States,* 170 U.S. 1, 32 (1898), amended in part by, 170 U.S. 614 (1898) citing *Jones v. United States,* 137 U.S. 202, 214 (1890).

Despite the merger, for ease of reference this brief will refer to the wine wholesaler petitioner as National Wine & Spirits, L.L.C.

[3] Mich. Comp. Laws § 436.1205 (section 205 of the Michigan Liquor Control Code) appears to be unique to Michigan.

2. The State of Michigan has complete "control" over the distribution and sale of sprits (hard liquors) to Michigan licensed retailers. Michigan purchases spirits from suppliers and requires in-state licensed retailers to buy from the State at prices set by the State.[4]

Until 1996, Michigan used State employees to warehouse and distribute spirits. In 1996, the Michigan Legislature decided to semi-"privatize" the spirits distribution system by utilizing private entities rather than state employees for certain functions. To accomplish this semi-privatization, the Legislature gave the Michigan Liquor Control Commission the ability to utilize private entities known as Authorized Distribution Agents (ADAs) to perform the warehousing and distribution functions previously performed by State employees. ADAs are State agents, through whom spirits suppliers must distribute and from whom licensed in-state retailers must purchase spirits. Under this semi-"privatized" system, title to the spirits still passes from the supplier to the State and then to the retailer. ADAs do not acquire any ownership interest in the spirits they warehouse and distribute for the State. The State unilaterally sets

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[4] Michigan's decision to "control" spirits distribution is consistent with a long line of Twenty-first Amendment jurisprudence and *Granholm v. Heald*, 544 U.S. 460, 489 (2005), where the Court recognized that "states may also assume direct control of liquor distribution through state-run outlets or funnel sales through the three-tier system."

the compensation for ADAs, gives ADAs access to the retail market for spirits, requires all retailers to purchase spirits only from ADAs, and regulates ADAs by statute, rules and administrative orders. Petitioners do not challenge the State's authority to structure the distribution system for spirits or to use ADAs. Indeed, petitioner NWS Michigan, Inc. distributes approximately 50% (by dollar volume) of all spirits delivered to retailers in Michigan.[5]

3. Michigan uses a traditional three-tier distribution system for wine.[6] The three tiers consist of suppliers, in-state wholesalers, and in-state retailers.[7] Licensed in-state wine wholesalers are privately owned entities, who have contracts with suppliers for specific geographic sales territories. Most Michigan wine distribution territories are exclusive with only one wholesaler distributing a particular brand in a

---

[5] Public records of the Liquor Control Commission showing state payments to ADAs for fiscal years 1999-2000 through 2004-2005 were submitted with the Respondent's Appendix filed with the Michigan Supreme Court. Those records are set out at Respondent's App. 1-14.

[6] Respondent Michigan Beer and Wine Wholesalers Association (MB&WWA) represents the middle-tier wine wholesalers. MB&WWA's members may not either make wine or sell it at retail. They are an integral part of the structure of the three-tier wine distribution system.

[7] At footnote 2, petitioners refer to the affidavit Gregory Mauloff for certain statistics as to wine distribution. That affidavit was challenged at the trial court and Court of Appeals on the basis that it did not meet the requirements for affidavits supporting motions for summary judgment.

given geographic territory. Two wholesalers distributing the same wine brand in the same geographic territory is the exception.[8] There are numerous statutes and administrative rules addressing the structure of the wine distribution system. Many of these statutes and rules have been in place since the repeal of Prohibition.[9]

4. In reliance on Michigan's longstanding regulatory framework, wine wholesalers have made substantial investments in warehouses, trucks and employees. Over many years they utilized these investments to promote and develop brand sales in their individual assigned territories.

Unlike ADAs, wine wholesalers do not receive State guaranteed payments for distribution or warehousing activities. As noted by the Michigan Court of Appeals, ADAs who also act as wine wholesalers ("ADA/wholesaler") have an "unfair economic advantage" over wholesalers who are not ADAs because ADAs are paid by the State and have State sponsored access to the retail alcoholic beverage market. In order to avoid this potential disruption of the wine wholesaler tier and to preserve an orderly distribution system for wine suppliers and wine retailers, the Michigan Legislature decided to limit an

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[8] When a supplier appoints two wine wholesalers to distribute the same brand in the same territory, it is referred to as "dualing" or a "dual appointment".

[9] The structure of Michigan's three-tier wine distribution system was described in *Granholm*, 544 U.S. at 468-469.

ADA/wholesaler's ability to be appointed by a supplier on a "dual" basis – unless the ADA/wholesaler had already invested in, acquired and developed distribution rights to particular brands in a particular geographic territory prior to September 24, 1996. Section 205(3) does not prohibit ADA/wholesalers from acquiring distribution rights for new wine brands.[10] Section 205(3) also allows ADA/wholesalers to acquire distribution rights by "acquisition, purchase or merger" which are not subject to the "dualing" limitations.[11]

5. In 2002, petitioners filed a suit seeking to challenge the constitutionality of Mich. Comp. Laws § 436.1205(3) based upon equal protection[12] and the dormant commerce clause. The trial court granted summary disposition to respondents on the commerce clause challenge, stating, in part:

> It [§ 205(3)] doesn't single out the Plaintiff (sic) and it doesn't single out out-of-state companies. * * * [T]he statute is facially neutral. The statute does not in its own terms discriminate in anyway between out-of-state and in-state entities, and the statute is clearly intended to execute the powers that are referred to in the 21st Amendment, and,

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[10] New wine brands are continually entering Michigan.

[11] As noted in footnote 2, petitioners have recently availed themselves of this option.

[12] Petitioners have not sought review of their equal protection claim, which was rejected by the trial court and the Michigan Court of Appeals.

> therefore, on count two Defendant is also entitle (sic) to summary disposition. * * *. (App. 67-68.)

6. In an unpublished opinion dated March 25, 2004, the Michigan Court of Appeals affirmed the trial court, stating:

> D. Commerce Clause
>
> * * *
>
> The reason it [i.e., the Legislature] allowed already dualing wholesalers to continue to dual after they became ADAs is that they had already entered dualing agreements and defendant [State of Michigan] did not wish to take this pre-existing right away.
>
> * * *
>
> Our next determination is whether the statute regulates evenhandedly with only incidental effects on interstate commerce. We conclude that plaintiffs have failed to establish that the statute has even an incidental effect on interstate commerce, i.e., "the interstate flow of articles of commerce."
>
> * * *
>
> [W]e discern no indication that the statute prohibits the flow of interstate goods, places an added cost on them or distinguishes between them in the market.[13] The Commerce

[13] Petitioners did not challenge the conclusion of the Michigan Court of Appeals that there is "no indication that the

(Continued on following page)

> Clause "protects the interstate market, not particular interstate firm, from prohibitive or burdensome regulations." *Exxon* [*Corp. v. Governor of Maryland,* 437 U.S. 117 (1978)], *supra,* at 217-218. (Petitioners' App. 12-13.)

7. Petitioners filed an application for leave to appeal to the Michigan Supreme Court. The Michigan Supreme Court initially held the application for leave to appeal in abeyance pending this Court's ruling in *Granholm v. Heald,* 544 U.S. 460 (2005). After this Court issued its ruling in *Granholm,* the Michigan Supreme Court heard oral argument on whether to grant leave to appeal. After hearing oral argument, the Michigan Supreme Court granted the application for leave to appeal. However, after briefs were submitted on appeal and after oral argument on the merits, the Michigan Supreme Court vacated its order granting leave to appeal "because we are no longer persuaded the questions presented should be reviewed by this Court". Petitioners' motion for reconsideration was denied "because it does not appear the order [denying leave to appeal] was entered erroneously".

8. Petitioners pin their claim on MCL § 436.1601,[14] which addresses residency for licensed in-state wholesalers, but they never challenged the

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statute prohibits the flow of interstate goods, places an added cost on them or distinguishes between them in the market."

[14] MCL § 436.1601 has been in existence since just after the repeal of Prohibition.

constitutionality of that statute in the lower courts and lack standing to do so.[15] As Justice Markman stated:

> Plaintiffs have not properly challenged the one-year residency requirement of MCL 436.1601(1) [§ 601]. At oral arguments, plaintiffs' counsel stated, "We have not challenged [§ 601] nor do we think it is critical to our case." Pet. App. pp. 17-18.

Further, whether plaintiffs would have standing to challenge the residency requirement of Mich. Comp. Laws § 436.1601 is questionable given that National Wine & Spirits, L.L.C., is a Michigan resident and a licensed wine wholesaler in Michigan. As plaintiffs' counsel acknowledged at oral argument, when asked why they had not challenged the residency requirement of Mich. Comp. Laws § 436.1601, "'[B]ecause we are operating now. We have met the residency requirement. . . .'"[16]

Petitioners are in fact a licensed Michigan wholesaler (through National Wine & Spirits, L.L.C.).[17] Petitioners were able to comply with the requirements

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[15] Since petitioners have now acquired L&L Wine and Liquor Corporation's pre-September 24, 1996 distribution rights for certain brands of wine, they are in the exact same position as any other wine wholesaler who was operating before or on September 24, 1996. See footnote 2, *supra*.

[16] Petitioners' App., pp. 17-18 (Justice Markman's statement in connection with order denying motion for reconsideration).

[17] See footnote 2, *infra*, for an explanation of petitioners' current structure as a wine wholesaler.

of Mich. Comp. Laws § 436.1601 and become a licensed wholesaler in 1999. Had they wanted to in 1970, 1980 or at any other time, petitioners could have become a licensed wholesaler before September 24, 1996, just as they became a licensed wholesaler after that date. However, petitioners were not interested in being a Michigan wholesaler prior to 1999, until after they had taken advantage of their ADA status and decided to expand.

9. This case is factually different from *Granholm* which involved an *exception* to Michigan's three-tier distribution system that was available to Michigan wine producers, but not to out-of-state wine producers. The *Granholm* court determined that the exception discriminated against out-of-state wine products. In contrast, this case does not involve any exception to Michigan's three-tier distribution system and does not involve discrimination against alcoholic beverages that originate from outside of Michigan. Rather, the case involves Michigan's authority to establish the *structure* of its distribution systems for wine and spirits and to determine how that structure should operate solely within Michigan to serve Michigan's regulatory needs. Therefore, the principles reiterated in *Granholm* rule out petitioners' claims:

> State policies are protected under the Twenty-first Amendment when they treat liquor produced out-of-state the same as its domestic equivalent.

10. The Court of Appeals was correct when it held that § 205(3) serves a legitimate purpose and did not interfere with the flow of interstate commerce.

REASONS THE WRIT SHOULD BE DENIED

Mich. Comp. Laws § 436.1205(3) addresses the structure of Michigan's liquor distribution system, does not interfere with the flow of interstate goods and petitioners did not challenge the residency requirement of Mich. Comp. Laws § 436.1601 and lack standing to do so.

As recognized by this Court's recent commerce clause/Twenty-first Amendment jurisprudence, there is a distinction between state laws that discriminate against out-of-state products and state laws which do not discriminate against out-of-state products, but merely address the structure of the distribution system for alcoholic beverages within a state. Section 205(3) does not discriminate against out-of-state goods but addresses the structure of the Michigan distribution system for wine and spirits.

Section 205(3) reflects the exercise of Michigan's Twenty-first Amendment authority, which gives Michigan "virtually complete control * * * [of] how to structure its liquor distribution system." *California Retail Liquor Dealers Ass'n v. Mid-Cal Aluminum, Inc.*, 445 U.S. 97, 100 (1980). As recognized most recently by this Court in *Granholm*, 544 U.S. at 489.

"State policies are protected under the Twenty-first Amendment when they treat liquor produced out of state the same as its domestic equivalents." As part of the permitted structure of distribution, states can require that liquor "'sold for use in the State be purchased from a licensed in-state wholesaler.'" *Id.*

Even if § 205(3) were not the exercise of Michigan's Twenty-first Amendment authority, there would be no dormant Commerce Clause issue here. Section 205(3) does not interfere with the "flow of out of state goods" does not place "any added costs on them" and does not distinguish "between them in the market". Indeed, one will search the Petition in vain for any allegation that out-of-state alcoholic beverages are being denied entry into Michigan or are being treated differently than Michigan produced alcoholic beverages because of § 205(3).

Even assuming incorrectly that § 205(3) burdened petitioners in particular, it would not give rise to a commerce clause violation because the commerce clause "protects the interstate market, not particular interstate firms, from prohibitive or burdensome regulations". *Exxon Corp. v. Governor of Maryland,* 437 U.S. 117, 127-128 (1978).

Petitioners (through NWS Michigan, Inc.) are an authorized distribution agent (ADA) for spirits. As an ADA, they have the same rights and obligations as any other ADA. Indeed, at the trial court petitioners

boasted that the parent Indiana company had been invited by Michigan to assist in the design of the ADA system. Petitioner NWS Michigan, Inc. concentrated its efforts as an ADA in warehousing and delivering spirits as its initial business in Michigan from 1996 to 1999. It has been the highest paid ADA in the State, receiving over $20,000,000 from the State in fiscal year 2004 alone. That was some $7,000,000 more than the next closest ADA. NWS Michigan, Inc. receives approximately 50% of all revenue paid by Michigan to ADAs for spirits distribution. Respondent's App. 1-14.

After devoting several years to establishing their clout as the leading distributor of spirits in Michigan, petitioners (through National Wine & Spirits, L.L.C.) decided to enter the Michigan wine wholesaling business. Petitioners were able to do so. National Wine & Spirits, L.L.C., became a licensed wine wholesaler in 1999.

As noted by the Court of Appeals,[18] § 205(3) does not permanently bar petitioners from acquiring "dualed" distribution rights even though they had not invested in, developed or acquired distribution rights for wine brands prior to September 24, 1996. Section 205(3) allows a wine wholesaler (affiliated with an

[18] See also, Justice Markman's statement in connection with the denial of the order for reconsideration. Petitioners' App. at p. 17.

ADA) to obtain "dualed" distribution rights through "acquisition, purchase or merger" of another wine wholesaler. Recently petitioner National Wine & Spirits, L.L.C., has taken advantage of this provision. In February, 2007, the Michigan Liquor Control Commission allowed National Wine & Spirits, L.L.C., to purchase all of the stock of another Michigan wine wholesaler, L&L Wine and Liquor Corporation, and thereby succeed to all of L&L Wine and Liquor Corporation's pre-September 24, 1996 distribution rights. Respondent's App. 15. That is, petitioners have acquired (as permitted by § 205(3)) pre-September 24, 1996, distribution rights for brands of wine and are in the exact same position as any other ADA/wholesaler who was a wine wholesaler on or before September 24, 1996.

"Grandfather clauses" like the one utilized in § 205(3) rightly recognize the reliance interest in existing businesses. See, *City of New Orleans v. Dukes,* 427 U.S. 297, 305 (1976). As this Court has ruled, "the protection of reasonable reliance interests is not only a legitimate governmental objective: it provides 'an exceedingly persuasive justification' for the statute. . . ." *Heckler v. Mathews,* 465 U.S. 728, 746 (1984), citing *Kirchberg v. Feenstra,* 450 U.S. 455, 461 (1981).[19]

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[19] The "grandfather" clause of § 205(3) recognized that wholesalers who were operating in Michigan as of September 24, 1996 had invested in the acquisition and marketing of the brands they sold and thereby had developed "equity" in those brands.

If petitioners did not want to act as both an ADA and wine wholesaler, National Wine & Spirits, L.L.C., could seek to be "dualed" for any particular wine product anywhere in Michigan, just like any other wholesaler who is not an ADA. However, since petitioners want to be both an ADA, with its remuneration by the State, and a wine wholesaler, petitioners are subject to the same "dualing" limitations that would affect any other wine wholesaler who chooses to become both an ADA and a wholesaler.

Finally, as previously noted, petitioners did not challenge the constitutionality of the one year residency requirement for wine wholesalers when NWS Michigan became an ADA in 1996. Petitioners did not challenge the residency requirement when National Wine & Spirits, L.L.C., became a wine wholesaler in 1999. Petitioners did not challenge the constitutionality of Mich. Comp. Laws § 436.1601 in the trial court in the instant action. Rather, petitioners admitted at oral argument before the Michigan Supreme Court that Mich. Comp. Laws § 436.1601, with its one year residency requirement, is "not the focus of our challenge here."[20]

But, even assuming for purposes of argument that the residency requirement was at issue, this Court has recently re-affirmed that under the Twenty-first Amendment, states can require their wholesalers to be

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[20] Petitioners' App. 17.

state residents. In *Granholm,* 544 U.S. at 489, this Court stated:

> We have previously recognized that the three-tier system itself is "unquestionably legitimate". *North Dakota v. United States*, 495 US at 432, 110 S Ct 1986. See also *id.*, at 447, 110 S Ct 1986 (Scalia, J., concurring in judgment) ("The Twenty-first Amendment . . . empowers North Dakota to require that **all liquor sold for use in the State be purchased from a licensed in-state wholesaler**"). State policies are protected under the Twenty-first Amendment when they treat liquor produced out of state the same as its domestic equivalent. (Emphasis added).

CONCLUSION

For the reasons stated above, this Court should deny the petition for a writ of certiorari.

Respectfully submitted,

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Wholesalers Association

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Liquor Control Commission Records
Re ADA Payments

[LOGO]

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH

JENNIFER M. GRANHOLM, GOVERNOR
ROBERT W. SWANSON, ACTING DIRECTOR

DATE: April 24, 2006

SUBJECT: Payments for ADAs

To Whom It May Concern:

The attached reports entitled "Fiscal Year Payments to Authorized Distribution Agents" for the fiscal years 1999-2000 through 2004-05 have been prepared by staff in the MLCC's Financial Management Division. The information for these reports was compiled from the weekly reports "Weekly Purchase Order Week No XX, (where XX is the accounting week number), report CL30996P01.

The Fiscal Year Payments report includes special returns where the state auditor found product not physically present at the ADA warehouse and returned the state's portion of the distribution fee to the State by ADA.

Not included in the "Fiscal Year Payments" reports are payments to ADAs for handling entire returns of inventory. The Commission withholds 10% of the value of liquor returned from the licensee. These amounts are paid to the appropriate ADA. The

amounts are immaterial at a total of $18,000, $12,000 and $10,000 for the last 3 years.

Also not included are amounts ADAs collect from licensees in certain areas of the State for cash handling fees. These amounts are small and the State is not involved in these fees.

I, Nancy J. King, Director of the Financial Management Division for the Michigan Liquor Control Commission, certify that the attached documents are contained in the official files and records of the Michigan Liquor Control Commission.

/s/ Nancy J. King
Nancy J. King

Attachment

4-24-06
/s/ Adele Bancroft

ADELE M. BANCROFT
Notary Public, Clinton County, Michigan
Acting in Eaton County, Michigan
My Commission Expires October 7, 2010

Michigan Liquor Control Commission
[illegible] Michigan 48909-7505
www.michigan.gov/dleg • (517) 322-1345 Lansing Office

App. 3

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 1999-2000

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 241 Youngsu	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
1	$136,144.98	$156,984.88	$0.00	$303,606.72	$0.00	$596,736.58
2	$115,847.08	$125,971.64	$0.00	$297,558.00	$10.84	$539,387.56
3	$116,118.08	$133,180.24	$0.00	$293,850.72	$0.00	$543,149.04
4	$76,075.12	$67,115.86	$0.00.	$268,934.98	$0.00	$412,125.96
5	$162,372.36	$149,526.96	$0.00	$369,085.74	$5.42	$680,990.48
6	$138,117.86	$120,161.40	$0.00	$364,749.74	$59.62	$623,088.62
7	$136,752.02	$144,800.72	$0.00	$354,110.28	$16.26	$635,679.28
8	$84,980.18	$121,305.02	$0.00	$379,405.42	$10.84	$585,701.46
9	$154,816.88	$167,060.66	$715.44	$332,088.82	$16.26	$654,698.06
10	$156,301.96	$152,930.72	$0.00	$390,191.22	$5.42	$699,429.32
11	$199,358.44	$190,258.26	$0.00	$581,132.40	$27.10	$970,776.20
12	$96,703.64	$123,364.62	$0.00	$307,476.60	$10.84	$527,555.70
13	$140,117.84	$112,259.04	$352.30	$366,749.72	$5.42	$619,484.32
14	$109,245.52	$89,370.38	$211.38	$238,604.66	$5.42	$437,437.36
15	$89,592.60	$96,736.16	$216.80	$237,688.68	$16.26	$424,250.50
16	$78,655.04	$94,868.26	$439.02	$194,854.42	$5.42	$368,820.16
17	$96,790.36	$105,397.32	$0.00	$287,975.44	$16.26	$490,179.38
18	$110,177.76	$111,711.62	$0.00	$261,959.44	$16.26	$483,865.08
19	$107,505.70	$111,473.14	$0.00	$280,419.96	$37.94	$499,436.74
20	$104,833.64	$107,782.12	$0.00	$269,975.62	$5.42	$482,596.80
21	$111,424.36	$118,578.76	$0.00	$271,363.14	$0.00	$501,366.26
22	$111,055.80	$114,589.64	$265.58	$276,999.94	$16.26	$502,927.22
23	$112,670.96	$114,757.66	$0.00	$297,037.68	$0.00	$524,466.30
24	$115,885.02	$110,340.36	$130.08	$292,468.62	$0.00	$518,824.08
25	$105,364.80	$111,413.52	$0.00	$281,493.12	$10.84	$498,282.28
26	$110,166.92	$114,622.16	$0.00	$269,460.72	$5.42	$494,255.22
27	$113,007.00	$120,784.70	$0.00	$282,051.38	$16.26	$515,859.34
28	$115,836.24	$120,605.84	$238.48	$281,782.54	$0.00	$518,463.10
29	$109,846.60	$122,172.22	$0.00	$318,029.34	$32.52	$549,880.68
30	$140,795.34	$111,505.66	$0.00	$314,571.38	$32.52	$566,904.90
31	$105,316.02	$124,080.06	$0.00	$269,650.42	$16.26	$499,062.76
32	$117,641.10	$137,277.76	$54.20	$283,791.20	$21.68	$538,785.94
33	$117,158.72	$137,353.64	$0.00	$271,411.92	$10.84	$525,935.12
34	$121,034.02	$146,556.80	$0.00	$317,059.16	$10.84	$584,660.82

Liquor Control Commission Records
Re: ADA Payments

App. 4

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 1999-2000

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 241 Youngau	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
35	$120,036.74	$130,063.74	$0.00	$281,650.30	$32.52	$531,783.30
36	$124,188.46	$143,722.14	$0.00	$299,357.44	$16.26	$567,284.30
37	$135,429.54	$126,508.22	$0.00	$291,156.98	$27.10	$553,121.84
38	$147,797.98	$145,949.76	$0.00	$299,346.60	$0.00	$593,094.34
39	$155,180.02	$98,782.40	$0.00	$352,728.18	$0.00	$606,660.60
40	$102,633.12	$130,676.20	$0.00	$298,235.50	$0.00	$531,544.82
41	$112,497.52	$197,206.70	$0.00	$460,309.76	$0.00	$770,013.98
42	$138,789.94	$147,949.74	$0.00	$313,005.00	$27.10	$599,771.78
43	$129,267.00	$138,892.49	$0.00	$160,111.46	$0.00	$428,070.95
44	$119,543.52	$142,432.18	$0.00	$282,685.52	$271.00	$544,932.22
45	$133,006.80	$147,559.50	$0.00	$309,167.64	$43.36	$589,777.30
46	$134,735.78	$137,987.78	$0.00	$279,899.64	$65.04	$552,688.24
47	$116,806.42	$141,624.60	$0.00	$292,891.38	$16.26	$551,338.66
48	$125,259.40	$145,422.31	$0.00	$324,885.12	$130.08	$595,696.91
49	$116,036.24	$134,177.52	$0.00	$276,062.26	$0.00	$528,276.02
50	$149,429.40	$141,705.90	$0.00	$286,837.24	$54.20	$578,026.74
51	$113,397.30	$125,285.35	$0.00	$229,612.88	$81.30	$468,376.83
52	$125,754.84	$139,342.78	$0.00	$263,032.60	$205.96	$528,336.18
Totals	$6,317,299.98	$6,701,955.11	$2,623.28	$15,710,564.64	$1,414.62	$28,733,857.63
						$28,733,857.63

distributionpayments.xls
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Liquor Control Commission Records
Re: ADA Payments

App. 5

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

For Fiscal Year 2000-01

04/24/06

[TRUE COPY]

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 241 Young Su	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
1	$118,437.84	$143,982.30		$331,503.46	$37.94	$593,961.54
2	$119,635.66	$156,751.82		$284,176.02	$92.14	$560,655.64
3	$135,456.64	$167,185.32		$294,506.54	$151.76	$597,300.26
4	$136,909.20	$162,274.60		$320,332.84	$86.72	$619,603.56
5	$142,475.54	$157,190.84		$308,056.54	$151.76	$607,874.68
6	$118,226.46	$127,050.22		$347,497.88	$162.60	$592,937.16
7	$202,168.00	$222,561.46		$305,839.76	$97.56	$730,664.78
8	$102,410.90	$122,529.94		$258,496.06	$70.46	$483,507.36
9	$181,939.49	$155,814.23		$383,402.42	$265.58	$721,421.72
10	$164,220.58	$180,177.06		$333,210.76	$32.52	$677,640.92
11	$126,416.06	$261,433.70		$354,814.88	$48.78	$744,713.42
12	$255,314.52	$186,063.18		$470,163.32	$205.96	$911,746.98
13	$125,784.64	$164,318.14		$317,015.80	$146.34	$608,264.92
14	$138,226.26	$132,963.44		$212,323.08	$108.40	$483,621.18
15	$92,297.18	$125,158.54		$221,282.34	$21.68	$438,759.84
16	$24,894.08	$133,852.32		$186,773.20	$75.88	$345,595.46
17	$99,765.94	$137,863.12		$250,528.66	$59.62	$488,217.34
18	$116,540.84	$134,497.30		$257,861.92	$135.50	$509,035.58
Fee Catch Up	$636,628.72	$712,416.64	$66.04	$1,495,451.88	$302.64	$2,844,865.92
19	$135,620.16	$158,708.16		$228,858.24	$31.20	$523,217.76
20	$128,993.28	$158,471.04		$153,959.52	$112.32	$441,536.16
21	$130,166.40	$156,829.92		$199,979.52	$99.84	$487,075.68
22	$130,515.84	$160,305.60		$276,506.88	$180.96	$567,509.28
23	$123,564.48	$161,821.92		$400,420.80	$81.12	$685,888.32
24	$142,502.88	$162,714.24		$169,079.04	$187.20	$474,483.36
25	$127,239.84	$156,218.40		$258,379.68	$124.80	$541,962.72
26	$128,949.60	$158,988.96		$444,387.84	$31.20	$732,357.60
27	$143,563.68	$160,093.44		$300,250.08	$262.08	$604,169.28
28	$136,493.76	$169,784.16		$433,386.72	$542.88	$740,207.52
29	$131,064.96	$174,676.32		$328,149.12	$118.56	$634,008.96
30	$115,939.20	$165,753.12		$328,604.64	$24.96	$610,321.92
31	$135,651.36	$169,865.28		$307,713.12	$99.84	$613,329.60
32	$148,224.96	$168,997.92		$317,821.92	$81.12	$635,125.92

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

For Fiscal Year 2000-01

04/24/06

[TRUE COPY]

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 241 Young Su	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
33	$120,695.77	$172,866.72		$297,047.57	$43.68	$590,653.74
34	$156,561.60	$190,401.12		$374,967.84	$255.84	$722,186.40
35	$128,369.28	$162,576.96		$313,116.96	$449.28	$604,512.48
36	$148,143.84	$182,578.93		$301,385.76	$6.24	$632,114.77
37	$157,035.84	$180,504.48		$266,123.52	$0.00	$603,663.84
38	$125,966.88	$174,732.48		$430,884.48	$87.36	$731,671.20
39	$171,843.36	$198,494.40		$370,075.68	$230.88	$740,644.32
40	$183,237.60	$153,113.58		$328,698.24	$199.68	$665,249.10
41	$172,336.32	$190,469.76		$348,840.96	$112.32	$711,759.36
42	$127,439.52	$190,925.28		$339,381.12	$106.08	$657,852.00
43	$100,089.60	$165,653.28		$325,160.16	$174.72	$591,077.76
44	$137,997.60	$163,575.36		$260,750.88	$243.36	$562,567.20
45	$146,028.48	$211,698.24		$418,298.40	$87.36	$776,112.48
46	$133,486.08	$168,311.52		$254,941.44	$143.52	$556,882.56
47	$138,908.64	$148,162.56		$405,618.72	$99.84	$692,789.76
48	$159,095.04	$183,343.68		$359,012.16	$118.56	$701,569.44
49	$145,073.76	$175,924.32		$321,310.08	$137.28	$642,445.44
50	$137,629.44	$133,648.32		$306,964.32	$299.52	$578,541.60
51	$113,299.68	$192,728.64		$305,092.32	$424.32	$611,544.96
52	$127,470.72	$179,811.84		$310,889.28	$180.96	$618,352.80
Totals	$7,729,945.98	$9,386,834.42	$66.04	$17,719,294.37	$7,632.72	$34,843,773.53

distributionpayments.xls
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$34,843,773.53

Liquor Control Commission Records
Re: ADA Payments

App. 7

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2001 - 2002

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Imlex	Weely Total
1	$147,813.12	$184,179.84	$329,896.32	$68.64	$661,957.92
2	$142,234.56	$194,837.76	$335,843.04	$74.88	$672,990.24
3	$142,824.20	$200,556.68	$313,645.77	$249.60	$657,276.25
4	$154,964.16	$170,723.18	$335,874.24	$268.32	$661,829.90
5	$170,214.72	$245,674.72	$380,606.80	$280.80	$796,979.04
6	$175,880.64	$211,667.04	$398,174.40	$68.64	$785,790.72
7	$163,718.88	$212,241.12	$393,419.52	$187.20	$769,566.72
8	$115,945.44	$136,808.80	$255,347.04	$280.80	$510,382.08
9	$183,056.64	$281,100.32	$478,339.68	$143.52	$922,640.16
10	$170,345.76	$192,635.04	$368,895.64	$205.92	$732,082.36
11	$201,701.76	$236,589.60	$440,375.52	$187.20	$878,854.08
12	$234,380.64	$270,472.80	$526,656.00	$293.28	$1,031,802.72
13	$158,040.48	$184,853.76	$301,710.24	$168.48	$644,772.96
14	$109,505.76	$133,554.72	$308,305.92	$131.04	$551,497.44
15	$123,156.39	$157,260.71	$269,824.21	$174.72	$550,416.03
16	$102,629.28	$138,871.20	$255,417.05	$193.44	$497,110.97
17	$105,225.12	$151,157.76	$280,425.60	$99.84	$536,908.32
18	$120,949.92	$161,403.84	$295,395.36	$424.32	$578,173.44
19	$126,163.20	$169,145.60	$303,571.20	$192.00	$599,072.00
20	$125,312.00	$161,708.80	$298,054.40	$435.20	$585,510.40
21	$132,710.40	$175,396.40	$303,148.80	$44.80	$611,302.40
22	$127,820.80	$168,172.80	$304,697.60	$332.80	$601,024.00
23	$130,252.80	$170,515.20	$306,873.60	$192.00	$607,833.60
24	$127,225.60	$175,219.20	$306,854.40	$198.40	$609,497.60
25	$136,275.20	$179,491.44	$313,529.60	$89.60	$629,385.84
26	$143,942.40	$166,380.80	$280,563.20	$217.60	$591,104.00
27	$128,723.20	$175,027.20	$314,700.80	$147.20	$618,598.40
28	$132,326.40	$174,873.60	$340,608.00	$224.00	$648,032.00
29	$123,920.77	$170,245.85	$323,935.83	$262.40	$618,364.85
30	$132,537.60	$178,771.20	$314,963.20	$185.60	$626,457.60
31	$126,635.20	$197,344.00	$309,024.56	$166.40	$633,370.16
32	$141,190.40	$220,345.60	$304,838.40	$281.60	$666,656.00
33	$143,046.40	$222,080.80	$325,203.20	$217.60	$690,528.00
34	$144,768.56	$214,515.89	$336,274.44	$499.20	$696,058.09

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2001 - 2002

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Imlex	Weely Total
35	$137,939.20	$204,857.60	$318,073.60	$89.60	$660,960.00
36	$147,187.20	$202,374.40	$303,667.20	$128.00	$653,356.80
37	$149,324.80	$231,873.60	$346,476.80	$249.60	$727,724.80
38	$147,936.00	$211,596.80	$342,329.60	$172.80	$702,035.20
39	$167,847.57	$235,468.04	$296,793.60	$96.00	$700,205.21
40	$145,549.53	$225,945.76	$368,486.40	$121.60	$740,103.29
41	$162,630.40	$220,365.12	$351,328.00	$217.60	$734,541.12
42	$119,872.00	$166,790.40	$251,904.00	$358.40	$538,924.80
43	$167,564.00	$220,032.32	$349,478.40	$460.80	$737,555.52
44	$229,568.00	$387,385.60	$533,958.40	$812.80	$1,151,724.80
45	$45,811.20	$52,796.80	$187,456.00	$70.40	$296,134.40
46	$100,032.00	$186,265.60	$336,844.80	$64.00	$623,206.40
47	$153,849.60	$206,380.80	$329,849.60	$83.20	$690,163.20
48	$181,811.20	$231,091.20	$353,363.20	$211.20	$766,476.80
49	$129,068.80	$203,648.00	$312,979.20	$204.80	$645,900.80
50	$157,318.40	$210,272.00	$309,568.00	$57.60	$677,216.00
51	$115,850.00	$208,404.87	$302,430.28	$134.40	$626,819.55
52	$154,498.00	$267,308.80	$300,544.00	$486.40	$722,835.20
Totals	$7,459,314.30	$10,248,662.98	$17,150,526.66	$11,206.24	$34,869,710.18

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$34,869,710.18

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

For Fiscal Year 2002-03

04/24/06

[TRUE COPY]

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
1	$107,814.40	$191,321.60	$318,003.20	$0.00	$617,139.20
2	$138,278.40	$226,592.00	$315,680.00	$166.40	$680,716.80
3	$145,793.60	$223,065.60	$329,376.55	$179.20	$701,414.95
4	$177,171.20	$223,238.40	$376,889.60	$652.80	$777,952.00
5	$150,521.60	$265,683.20	$377,747.20	$262.40	$794,214.40
6	$183,168.00	$257,324.80	$385,843.20	$0.00	$826,336.00
7	$154,118.40	$237,868.80	$366,624.00	$160.00	$758,771.20
8	$188,012.80	$250,931.20	$343,654.40	$550.40	$783,148.80
9	$100,502.96	$168,825.84	$236,133.86	$524.80	$505,987.46
10	$201,040.37	$314,067.20	$461,100.80	$217.60	$976,425.97
11	$191,205.41	$291,722.91	$433,598.92	$108.80	$916,636.04
12	$251,948.80	$330,297.60	$523,080.69	$12.80	$1,105,339.89
13	$133,011.20	$195,558.40	$366,412.80	$364.80	$695,347.20
14	$103,219.20	$137,459.20	$183,948.80	$262.40	$424,889.60
15	$79,360.00	$77,388.80	$91,072.00	$96.00	$247,916.80
16	$191,347.20	$360,217.60	$386,713.60	$236.80	$938,515.20
17	$120,512.00	$199,603.20	$280,172.80	$140.80	$600,428.80
18	$125,228.80	$219,136.00	$318,905.60	$601.60	$663,872.00
19	$107,351.80	$197,425.60	$289,898.76	$280.36	$594,956.52
20	$153,226.52	$216,816.08	$316,726.56	$234.72	$687,005.88
21	$106,575.92	$199,101.24	$255,675.28	$104.32	$561,456.76
22	$122,395.97	$207,415.13	$275,447.67	$247.76	$605,506.53
23	$171,290.82	$263,205.88	$382,676.56	$365.12	$817,538.38
24	$112,372.20	$161,885.08	$232,718.36	$326.00	$507,301.64
25	$114,184.76	$225,018.24	$285,256.52	$247.76	$624,707.28
26	$136,730.92	$218,895.96	$291,607.00	$247.76	$647,481.64
27	$124,532.00	$225,494.20	$301,021.88	$149.96	$651,198.04
28	$132,955.84	$244,806.44	$290,935.44	$436.84	$669,134.56
29	$139,638.84	$245,504.08	$312,783.96	$260.80	$698,187.68
30	$133,236.20	$231,420.88	$307,880.92	$228.20	$672,766.20
31	$130,862.92	$232,307.60	$316,793.76	$384.68	$680,348.96
32	$147,306.36	$285,073.96	$465,893.12	$332.52	$896,605.96
33	$99,991.55	$199,028.03	$290,648.41	$332.52	$590,000.51
34	$111,913.90	$246,899.36	$370,088.24	$512.88	$729,514.38

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2002-03

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Imlex	Weely Total
35	$109,203.48	$237,425.80	$363,613.88	$273.84	$710,517.00
36	$137,999.68	$258,806.09	$356,207.16	$247.76	$753,260.67
37	$108,290.68	$291,861.28	$378,516.60	$52.16	$778,722.72
38	$126,700.54	$140,082.20	$394,786.00	$267.32	$661,836.06
39	$140,225.64	$307,691.84	$456,947.68	$326.00	$905,191.16
40	$109,190.44	$217,226.84	$321,475.12	$267.32	$648,159.72
41	$147,521.52	$282,922.36	$490,062.32	$84.76	$920,610.96
42	$121,298.08	$263,245.00	$392,458.36	$58.68	$777,060.12
43	$109,242.60	$229,725.68	$371,118.40	$273.84	$710,360.52
44	$113,584.92	$234,107.12	$203,162.76	$932.36	$551,807.16
45	$126,657.52	$235,645.84	$362,329.44	$123.88	$724,756.68
46	$123,951.72	$275,078.80	$589,323.24	$880.20	$989,233.96
47	$136,150.64	$237,986.52	$395,190.24	$110.84	$769,438.24
48	$117,037.18	$169,507.08	$356,905.20	$0.00	$643,449.46
49	$104,300.44	$227,742.58	$362,103.35	$19.56	$694,165.93
50	$140,910.24	$282,465.96	$381,491.72	$65.20	$804,933.12
51	$91,834.20	$235,652.36	$358,723.88	$241.24	$686,451.68
52	$175,498.64	$349,177.73	$375,789.11	$723.72	$901,189.20
Totals	$7,029,419.00	$12,246,951.19	$17,991,258.92	$14,278.48	$37,281,907.59
distributionpayments.xls jmj 3/13/2006					$37,281,907.59

Liquor Control Commission Records
Re: ADA Payments

App. 11

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2003-04

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
1	$176,654.21	$399,408.68	$606,001.40	$730.24	$1,182,794.53
2	$106,223.96	$184,098.72	$494,887.56	$13.04	$785,223.28
3	$116,668.44	$254,527.76	$424,478.08	$0.00	$795,694.28
4	$161,050.64	$400,738.76	$562,447.80	$156.48	$1,124,393.68
5	$168,013.88	$259,384.03	$483,731.84	$743.28	$911,873.03
6	$122,875.92	$462,608.25	$419,490.28	$332.52	$1,005,306.97
7	$124,577.84	$300,715.44	$447,787.08	$299.92	$873,380.08
8	$97,134.96	$159,446.60	$243,997.96	$378.16	$500,957.68
9	$169,246.16	$308,376.44	$490,486.56	$410.76	$968,519.92
10	$137,415.52	$291,157.12	$475,653.56	$299.92	$904,526.12
11	$116,838.40	$280,654.34	$584,309.36	$352.08	$982,154.18
12	$74,751.80	$144,153.75	$259,802.44	$247.76	$478,955.75
13	$108,016.84	$181,810.20	$409,025.68	$267.32	$699,120.04
14	$86,077.04	$190,866.11	$251,666.28	$241.24	$528,870.67
15	$40,547.88	$59,566.86	$59,149.44	$52.16	$159,316.34
16	$89,513.08	$207,785.88	$300,689.36	$176.04	$598,164.36
17	$208,001.04	$474,936.36	$607,364.08	$456.40	$1,290,757.88
18	$107,119.60	$229,006.00	$327,998.50	$187.60	$664,311.70
19	$109,116.20	$259,162.70	$346,718.30	$763.80	$715,761.00
20	$111,514.80	$238,345.80	$323,114.20	$770.50	$673,745.30
21	$111,802.90	$232,825.00	$339,515.80	$502.50	$684,646.20
22	$111,256.53	$226,770.94	$334,248.11	$261.30	$672,536.88
23	$112,555.64	$239,545.10	$338,699.90	$288.10	$691,088.74
24	$116,801.10	$229,253.90	$334,618.10	$348.40	$681,021.50
25	$113,250.10	$239,250.30	$336,474.00	$428.80	$689,403.20
26	$102,489.80	$236,396.10	$343,576.00	$609.70	$683,051.60
27	$105,980.60	$251,223.20	$366,094.70	$6.70	$723,305.20
28	$143,594.40	$238,071.10	$335,422.10	$281.40	$717,369.00
29	$113,725.80	$256,435.80	$382,637.00	$489.10	$753,287.70
30	$129,779.00	$234,781.40	$370,061.10	$670.00	$735,291.50
31	$103,320.70	$253,414.10	$375,548.40	$174.20	$732,457.40
32	$109,785.31	$251,956.79	$376,800.64	$247.90	$738,790.64
33	$139,583.08	$260,884.60	$374,014.10	$649.90	$775,131.68
34	$129,906.68	$269,145.70	$407,126.21	$489.10	$806,667.67

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2003-04

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
35	$117,879.80	$236,694.20	$369,029.30	$388.60	$725,991.90
36	$153,034.70	$276,844.00	$402,777.20	$294.80	$832,950.70
37	$113,833.00	$271,772.10	$412,954.50	$489.10	$799,048.70
38	$158,475.10	$272,448.80	$426,341.10	$341.70	$857,606.70
39	$159,600.70	$284,696.40	$444,437.80	$1,152.40	$889,887.30
40	$109,471.30	$258,539.60	$400,057.00	$93.80	$768,161.70
41	$120,237.38	$276,823.72	$407,066.39	$361.80	$804,489.29
42	$127,648.40	$247,216.60	$382,844.70	$422.10	$758,131.80
43	$113,628.92	$253,889.98	$395,467.50	$147.40	$763,133.80
44	$142,455.40	$257,460.90	$406,174.10	$268.00	$806,358.40
45	$130,067.10	$267,169.20	$413,483.80	$442.20	$811,162.30
46	$124,224.70	$264,187.70	$400,901.20	$294.80	$789,608.40
47	$120,847.90	$249,132.80	$406,167.40	$288.10	$776,436.20
48	$134,140.70	$267,674.77	$406,060.20	$911.20	$808,786.87
49	$104,185.00	$263,571.30	$388,452.60	$408.70	$756,617.60
50	$158,642.60	$256,978.50	$386,703.90	$321.60	$802,646.60
51	$102,845.00	$252,094.20	$377,230.10	$328.30	$732,497.60
52	$99,702.70	$193,542.90	$288,689.60	$221.10	$582,156.30
Totals	$6,366,110.03	$13,359,461.50	$20,248,474.31	$19,502.02	$39,993,547.86

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$39,993,547.86

Liquor Control Commission Records
Re: ADA Payments

App. 13

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2004-05

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
1	$139,098.70	$356,909.00	$455,720.60	$361.80	$952,090.10
2	$161,316.91	$257,419.16	$387,433.80	$328.30	$806,498.17
3	$134,710.20	$264,442.30	$417,048.20	$349.29	$816,549.99
4	$170,732.05	$350,403.30	$528,281.50	$221.10	$1,049,617.95
5	$221,167.00	$275,864.80	$460,122.50	$596.30	$957,550.60
6	$164,304.10	$300,675.90	$405,778.80	$207.70	$870,966.50
7	$190,876.30	$277,715.00	$425,436.60	$381.90	$894,409.80
8	$105,920.30	$200,149.10	$290,773.30	$348.40	$597,191.10
9	$219,985.65	$325,914.80	$525,407.30	$654.78	$1,071,962.53
10	$178,333.90	$290,880.50	$460,712.10	$87.10	$930,013.60
11	$213,857.30	$344,246.00	$561,352.80	$428.80	$1,119,884.90
12	$162,776.50	$264,328.40	$373,828.50	$388.60	$801,320.00
13	$159,707.90	$269,541.00	$449,737.50	$690.10	$879,676.50
14	$160,391.30	$222,694.60	$363,193.60	$247.90	$746,527.40
15	$110,489.70	$207,499.00	$285,219.00	$462.30	$603,670.00
16	$124,593.20	$211,921.00	$309,519.90	$180.90	$646,215.00
17	$129,450.70	$216,162.10	$328,273.20	$415.40	$674,301.40
18	$107,870.00	$237,166.60	$340,138.90	$1,078.70	$686,254.20
19	$29,285.70	$238,218.50	$334,269.70	$321.60	$602,095.50
20	$83,555.70	$228,865.30	$263,457.40	$227.80	$576,106.20
21	$108,774.50	$246,613.60	$403,614.70	$335.00	$759,337.80
22	$121,940.00	$228,490.10	$325,512.80	$288.10	$676,231.00
23	$122,053.90	$202,192.60	$356,078.20	$187.60	$680,512.30
24	$126,509.40	$275,698.30	$345,793.70	$361.80	$748,363.20
25	$133,075.40	$228,717.90	$352,741.80	$268.00	$714,802.90
26	$123,475.73	$236,258.58	$324,180.34	$643.20	$684,557.85
27	$130,120.70	$234,257.73	$359,374.60	$0.00	$723,753.03
28	$135,909.50	$236,215.20	$357,478.50	$361.80	$729,965.00
29	$140,586.10	$261,058.80	$369,598.80	$375.20	$771,618.90
30	$118,804.40	$232,965.70	$356,754.90	$435.50	$708,960.50
31	$101,290.60	$241,876.70	$377,799.60	$314.90	$721,281.80
32	$142,683.20	$245,622.00	$388,057.30	$328.30	$776,690.80
33	$154,160.30	$245,655.50	$339,623.00	$509.20	$739,948.00

Liquor Control Commission Records
Re: ADA Payments

FISCAL YEAR PAYMENTS
to Authorized Distribution Agents
for Distribution Costs

04/24/06

[TRUE COPY]

For Fiscal Year 2004-05

Acct. Wk. Number	ADA 121 Trans-Con	ADA 221 GWLC	ADA 321 NWS	ADA 341 Ch. Im/ex	Weely Total
34	$151,965.26	$263,643.62	$314,939.28	$160.80	$730,708.96
35	$139,669.95	$234,955.60	$469,448.90	$462.30	$844,536.75
36	$151,125.20	$253,427.50	$400,063.70	$281.40	$804,897.80
37	$149,336.30	$254,506.20	$407,674.90	$261.30	$811,778.70
38	$160,096.50	$270,646.50	$446,997.20	$355.10	$878,095.30
39	$176,045.89	$271,202.60	$463,204.50	$536.00	$910,988.99
40	$145,986.20	$229,923.90	$392,231.40	$0.00	$768,121.50
41	$161,865.30	$253,909.90	$427,272.40	$388.60	$843,436.20
42	$141,296.30	$233,474.90	$408,184.10	$328.30	$783,283.60
43	$146,100.35	$231,025.60	$418,001.88	$442.20	$795,570.03
44	$145,836.90	$232,771.40	$390,154.40	$301.50	$769,066.20
45	$157,066.10	$260,697.00	$404,244.50	$361.80	$822,371.40
46	$143,031.60	$244,697.40	$406,837.40	$375.20	$794,941.60
47	$149,996.60	$254,171.20	$411,145.50	$308.20	$815,624.50
48	$155,460.10	$249,380.70	$413,497.20	$810.70	$819,148.70
49	$128,586.40	$233,615.60	$383,106.00	$53.60	$745,361.60
50	$155,480.10	$240,315.60	$376,459.60	$301.50	$772,536.80
51	$136,338.30	$243,558.40	$370,657.40	$408.70	$750,962.80
52	$136,104.21	$247,354.63	$361,277.01	$314.90	$745,050.75
Totals	$7,459,161.40	$13,159,717.32	$20,287,688.51	$18,839.47	$40,925,406.70

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3/13/2006

$40,925,406.70

Liquor Control Commission Records
Re: ADA Payments

CERTIFICATION

I, SHARON L. MARTIN, being a duly authorized agent of the Department of Labor and Economic Growth, Michigan Liquor Control Commission, do hereby certify that the attached is a true copy from the records of the Michigan Liquor Control Commission, Licensing Division, of the Commission Order dated February 28, 2007 concerning the request of L & L Wine and Liquor Corporation to transfer all stock interest in 2006 Wholesale and Outstate Seller of Wine Licenses, by dropping stockholders Milford T. Lewis (6,250 shares) and Steven H. Lewis (12,500 shares) through the transfer of their 18,750 shares of stock to new stockholder, National Wine & Spirits, L.L.C., located at 1500 N. Stephenson Hwy., Royal Oak, Oakland County, in the State of Michigan.

IN WITNESS WHEREOF, I, SHARON L. MARTIN, duly authorized agent as aforesaid, have hereunto set my hand and affixed the seal of the said Michigan Liquor Control Commission in Lansing, Michigan, this 17th day of October, AD. 2007.

/s/ Sharon L. Martin
SHARON L. MARTIN, AGENT
MICHIGAN LIQUOR
CONTROL COMMISSION

[SEAL]

Michigan Department of Labor
& Economic Growth
Liquor Control Commission

INTER-OFFICE CORRESPONDENCE

February 28, 2007
DATE

TO Manufacturers & Wholesalers Section
Licensing Division

FROM Administrative Commissioners TW

SUBJECT: L & L Wine and Liquor Corporation
#327644
1500 N. Stephenson Hwy.
Royal Oak, Michigan 48067
Oakland County

Request to transfer all stock in 2006 Wholesale and Outstate Seller of Wine license, by dropping stockholders, Milford T. Lewis (6,250 shares) and Steven H. Lewis (12,500 shares) through the transfer of their 18,750 shares to new stockholder, National Wine & Spirits, L.L.C.

Section 205 of the Liquor Control Code of 1998, being MCL 436.1205(3) states in pertinent part as follows: "A wholesaler who directly or indirectly becomes an authorized distribution agent shall not sell or be appointed to sell a brand of wine to a retailer in a county or part of a county for which another wholesaler has been appointed to sell that brand under an agreement required by this act, unless that wholesaler was appointed to sell and was actively selling that brand to retailers in that county or part of that

county prior to September 24, 1996, or unless the sale and appointment is the result of an acquisition, purchase, or merger with the existing wholesaler who was selling that brand to a retailer in that county or part of that county prior to September 24, 1996."

Section 603 of the Liquor Control Code of 1998, being MCL 436.1603(3) states: "Except as provided in subsection (6) and section 605, a manufacturer, mixed spirit drink manufacturer, warehouser, wholesaler, outstate seller of beer, outstate seller of wine, outstate seller of mixed spirit drink, or vendor of spirits shall not have an interest directly or indirectly by interlocking directors in a corporation or by interlocking stock ownership in a corporation in the establishment, maintenance, operation, or promotion of the business of any other vendor."

Based on the foregoing, the Commission finds that upon completion of the acquisition of stock of L & L Wine and Liquor Corporation by National Wine & Spirits, L.L.C., whose sole member is NWS Michigan, Inc. (an authorized distribution agent), that L & L Wine and Liquor Corporation will indirectly become an authorized distribution agent through the financial interest and the common stock ownership between NWS Michigan, Inc., (an authorized distribution agent) and L & L Wine and Liquor Corporation, and therefore would be prohibited from selling any brands that another wholesaler has been appointed to sell, unless L & L Wine and Liquor was appointed to sell and actively selling that brand prior to September 24, 1996, and; that National Wine &

Spirits, L.L.C. would have interlocking stock ownership in another vendor and would therefore be prohibited from continuing to hold the 2006 Wholesale license issued to National Wine & Spirits, L.L.C.

Michigan Department of Labor
& Economic Growth
Liquor Control Commission

INTER-OFFICE CORRESPONDENCE

February 28, 2007
DATE

TO Manufacturers & Wholesalers Section
Licensing Division

FROM Administrative Commissioners TW

SUBJECT: L & L Wine and Liquor Corporation
#327644
1500 N. Stephenson Hwy.
Royal Oak, Michigan 48067
Oakland County

NOW, THEREFORE, IT IS THE ORDER OF THE COMMISSION THAT REQUEST AS MADE BY L & L WINE AND LIQUOR CORPORATION TO TRANSFER ALL STOCK IN 2006 WHOLESALE AND OUTSTATE SELLER OF WINE LICENSE, BY DROPPING STOCKHOLDERS, MILFORD T. LEWIS (6,250 SHARES) AND STEVEN H. LEWIS (12,500 SHARES) THROUGH THE TRANSFER OF THEIR 18,750 SHARES TO NEW STOCKHOLDER, NATIONAL WINE & SPIRITS, L.L.C., BE ***APPROVED***, SUBJECT TO VERIFICATION OF ALL STOCK ISSUANCE; VERIFICATION THAT NATIONAL WINE & SPIRITS, L.L.C. HAS RECEIVED A $18,000,000.00 LOAN FROM A LINE OF CREDIT FROM LA SALLE BANK; CANCELLATION OF 2006 WHOLESALE LICENSE HELD BY NATIONAL

WINE & SPIRITS, L.L.C. AT 17550 ALLEN BROWNSTOWN, MICHIGAN 48192; AND; ***APPROVED*** WITH THE PROVISO THAT L & L WINE AND LIQUOR CORPORATION IS PROHIBITED FROM PURCHASING, SELLING, OR DISTRIBUTING ANY BRAND OF WINE THAT WAS NOT ACTIVELY DISTRIBUTED BY L & L WINE AND LIQUOR CORPORATION PRIOR TO SEPTEMBER 24, 1996, IN THE SAME TERRITORY FOR WHICH ANOTHER WHOLESALER HAS BEEN APPOINTED TO ACTIVELY SELL; AND; THAT L & L WINE AND LIQUOR CORPORATION BE ADVISED THAT THEY MUST BECOME A CERTIFIED AUTHORIZED DISTRIBUTION AGENT FOR THE DELIVERY OF SPIRITS ON THE LICENSED DELIVERY TRUCKS OF L & L WINE AND LIQUOR CORPORATION.